

CIA/RR CB No. 60-10

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8 February 1960

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CURRENT SUPPORT BRIEF

SOVIET PURCHASE OF TEXTILE PLANT FROM THE US

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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SOVIET PURCHASE OF TEXTILE PLANT FROM THE US

As part of the current program to expand textile production, the USSR has contracted with Intertex International, Incorporated of New York for the purchase of almost \$20 million worth of US textile machinery. Included in the purchase are 21,000 spindles for cotton and synthetics and 30,000 spindles for worsteds representing the latest American technological developments in this field. The number of looms to be bought has not yet been reported.

Although the contract represents a large quantity of machinery, unprecedented in US-USSR trade relations since World War II, the plant itself will by no means be the largest textile plant in the USSR. A cotton textile combine at Kamyshin in the Stalingrad area, when fully built, will have ten times the spindle capacity of the plant being equipped by Intertex. The Intertex plant is unique, however, in that it will be capable of producing suiting fabrics--its principal product--from cotton, wool, rayon, and synthetic fibers, and from blends of these fibers.

The USSR apparently chose US textile machinery rather than machinery from the UK or some other Western manufacturer for basically economic reasons. This machinery is more productive than comparable UK models and this is believed to have been the deciding factor, even outweighing lower UK prices and offers of credit. Soviet officials, however, hoping to stimulate American business interest in increased trade with the USSR, are attempting to portray the deal as an indication of their willingness to grant special concessions to US firms.

The contract was signed December 1959 between the Soviet trade organization, Teckhmashimport, and Intertex. Intertex was founded for the purpose of selling US textile machinery abroad and has been selling machinery to the USSR on a lesser scale for some time. Under this latest contract, machinery is to be shipped to the plant site at Kalinin, north of Moscow, deliveries to be completed by 30 April 1961. Payment will be made in US dollars within 30 days after delivery.

An additional \$10 million is to be invested by the USSR in renovating a building to house the machinery, installing the machinery, and purchasing additional equipment needed to complete operations. Soviet negotiators are expected to sign an additional contract in February permitting US personnel to make the installation.

As many as 40 US machinery firms may be involved in the transaction in one capacity or another although the majority of that number will act as subcontractors with relatively minor roles in the transaction; six firms will be major participants. Spinning frames will be supplied by Saco-Lowell Company and the Whitin Company, looms by the Crompton and Knowles Company, finishing equipment by the James Hunter Machine Company and the Rodney Hunt Machine Company, Barber-Coleman will supply automatic spoolers and beaming machines.

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(Title)

8 February 1960

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SOVIET PURCHASE OF TEXTILE PLANT FROM THE US
(Title)

8 February 1960
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6-7 Listing of sources would require uping classification to CIA internal use only so they've been left off.

7-8

P. 2, para 5, line 2 change "house the plant" to "house the machinery"

Ela

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